



Australian Bureau of Statistics

1369.0.55.001 - Australian Business Register: Counts of Australian Business Numbers (ABNs), Oct 2000

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Summary

Main Features

At October 2000 the number of business entities registered with the Australian Business Register (ABR) for an active Australian Business Number (ABN) was 3,199,930.

Of the total number of business entities registered for an ABN, 25% (796,861) were employing entities. Business entities may register with the ABR for reporting of various tax liabilities and roles. Fewer than 8% of employing entities were not active for GST. Of the 2,403,069 non-employing entities registered with the ABR, 42% were not active for GST.

Of employing businesses registered and active for GST, Property and Business Services (129,278) had the greatest numbers, followed by Retail Trade (99,958) and Construction (86,193). Among non-employers registered and active for GST, a large proportion of businesses were in Property and Business Services (274,495), Construction (223,498) and Agriculture, Forestry and Fishing (160,958).

The majority of employing business entities registered and active for GST (56%) estimated their annual turnover to range between \$100,000 and \$1,000,000. Nine percent of these businesses had estimated annual turnover of less than \$50,000, while 0.8% (5,905) estimated that their annual turnover would exceed \$20 million. Of the non-employing business entities registered and active for GST, 51% of businesses registered and active for GST estimated their annual turnover to range between zero to \$100,000.

Of the total number of employing business entities registered and active for GST only 2% stated that they operate from more than one state. More than half, (60%) of these business entities operate from locations in only two states, while 8% operate from locations in all states and territories. Whilst the number of employing multi-state business entities was small, it should be noted that 17% of these businesses reported an estimated annual turnover of \$20m or more, compared with less than 0.5% for employing single-state business entities.

MORE INFORMATION

Detailed tables of the information presented above are available from this site in Product Number 1369.0.55.001.

There are also two further special data services available:

Product Number 8136.0.55.001 Single Location Business Entities by Postcode by Industry Division.

Product Number 8138.0.55.001 Single-State Business Entities by Industry Class by State.

For more information on these products please contact the National Information and Referral Service on 1300 135 070.

About this Release

ABOUT THIS RELEASE

Presents information provided by the Australian Tax Office (ATO), based on data from the Australian Business Register (ABR). The ABR has been developed as part of the introduction of The New Tax System. Data relates to business entities in Australia at 31 October 2000. Another issue for this product relates to data as at 30 June 2001.

Replaces 1369.0 - Occasional Paper, Australian Business Register - A Snapshot

Explanatory Notes

Explanatory Notes

Introduction

The information for which these Explanatory Notes are provided is based on data available from the Australian Business Register (ABR) which has been developed as part of the introduction of The New Tax System (TNTS). The ABR provides counts of Australian Business Entities which have been issued with an Australian Business Number (ABN) as part of the registration process. These data are based on a snapshot of business entities with an active Australian Business Number (ABN) on the ABR as at 30 October 2000.

As part of TNTS businesses with an annual turnover of \$50,000 (\$100,00 for non-profit organisations) and above are required to register for an ABN. Businesses below this threshold may choose to register. The Registrar of the ABR (who is also the Commissioner of Taxation) administers the ABR.

A business entity receives one ABN regardless of the number of commercial activities it undertakes. However, if an enterprise is carried on by a number of different, but related entities, each entity may register in its own right. Therefore, some care is needed in interpreting the number and characteristics of ABN entities presented in this data.

Business counts previously issued by the Australian Bureau of Statistics (ABS) differ from the numbers presented by these tables for a number of reasons. An explanation for these differences is provided in the respective definitions of business units.

The total number of ABN registrations includes a wide range of entities including the number of employing and non-employing entities. Businesses are then classified according to whether or not they are actively registered for Goods and Services Tax (GST) purposes.

Entities do not have to register for GST to register for an ABN.

The ABN entity is the unit for the purposes of the accompanying tables. The total number of registered business entities which were active at 30 October 2000 was 3.2 million, with 2.7 million of these business entities also being registered for GST. Business entities that had a GST registration status of 'active' numbered 2.1 million. Most of the information in the accompanying tables is in reference to these 2.1 million business entities registered and active for GST.

The industry (ANZSIC) code has been assigned to ABN entities based on information provided at the time of registration or information already available in the ATO about the type of activity of an entity.

At the time of ABN registration, businesses identified whether they operated from more than one location and in which States they had locations. Business entity counts by State are based on entities which operate from locations in a single State. Counts of entities which operate from locations in more than one State (multi-State) are also provided. For employing multi-State entities, further information is presented on the State/Territory of main business location and the States/Territories of all locations.

Counts of business entities which operate from a single location, by postcode, are available on request. Data are also available for single State employing entities at a finer level of industry classification. The data would be presented such as to ensure no information is shown about an identifiable business entity. For details on availability of such data please contact the ABS National Information and Referral Service on 1300 135 070.

Reference Period

The business counts are a snapshot of active ABNs on the ABR at 30 October 2000. The ABN registration process commenced on 1 November 1999. Business entities are required to notify the ABR of changes to the information contained on their registration forms including when entities cease operating or commence operations. The statistics presented are those of businesses with active registrations on the ABR at 30 October 2000.

Coverage

The population for the data is all business entities in Australia which registered with the ABR to obtain an ABN. The ABR was established under Section 24 of the **A New Tax System (Australian Business Number) Act 1999**. To be entitled to an ABN one of the following conditions had to be met:

- a company registered under corporations law in Australia;
- a government department or agency; and
- an entity carrying on an enterprise in Australia.

Business Unit

The business unit about which information is published is business entities which have an ABN.

Classification by Industry

The industry classification being used is the 1993 edition of the **Australian and New Zealand Standard Industrial Classification** (ANZSIC) (Cat. no. 1292.0). Each business entity is classified to a single industry based on either a description of activities which has been provided by businesses on registration forms, or from information on types of activities of businesses, held by the Australian Taxation Office (ATO).

Note:

ANZSIC coding for non-employing entities had not been completed at 30 October 2000. Therefore, the industry classification given for all non-employers is a combination of ANZSIC and industry reported by business entities on the registration form.

Completeness of the ABR data

Information for the registration process was supplied to the ABR by businesses either electronically through the Australian Government Business Entry Point or through the return of registration forms manually completed by registrants. Data from the registration forms has been scanned and loaded to the ABR. The data are presented on an 'as registered' basis. This means that limited editing of data occurred. Address details were corrected to ensure allocation of ABNs to States could be undertaken. This only occurred where enough information was provided in the address to derive the correct postcode or State.

Where fields were blank on the ABR registration forms they have been included in the 'not stated' category. Blank fields are mostly the result of questions not being completed on the registration forms.

Employing business entities which are 'not stated' for ANZSIC are most likely to have had insufficient information contained on the registration forms to be coded. ANZSIC for 1,125,410 non-employers had not been coded at October 2000. ANZSIC coding for this population is continuing.

Ongoing data quality work is being undertaken by the ABR to reduce the number of blank fields. In particular, the coding to ANZSIC based on information provided by registrants is continuing.

Comparability of Australian Business Register (ABR) and Australian Bureau of Statistics (ABS) Business Counts

The unit being counted in the data supplied on the ABR is business entities which have registered for an ABN. The way in which 'businesses' can register for an ABN affects the numbers presented. Business counts previously issued by the ABS differ from the numbers supplied from the ABR for a number of reasons. An explanation for these differences lies in the respective definitions of a business.

ABR definitions

The definitions provided for registering for an ABN on the ABR are provided in the **A New Tax System (Australian Business Number) Act 1999**. To be entitled to an ABN a

business must be:

- a company registered under corporations law in Australia;
- a government department or agency; or
- an entity carrying on an enterprise in Australia.

An entity (defined in Section 37 of the Act) means an individual (sole trader), a body corporate, a corporation sole, a body politic, a partnership, an unincorporated association or body of persons, a trust or a superannuation fund. An enterprise (defined in Section 38 of the Act) covers various activities but does not include hobbies. It includes the activities of entities such as charities, deductible gift recipients, and religious and government organisations. Activities which constitute an enterprise are those done:

- in the form of a business;
- in the form of an adventure or concern in the nature of trade;
- on a regular or continuous basis, in the form of a lease, licence or other grant of an interest in property;
- by the trustee of a fund or by an authority or institution to which deductible gifts can be made;
- by a charitable institution or by a trustee of a charitable fund;
- by a religious institution, or
- by the Commonwealth, a State or a Territory, or by a body corporate or corporation sole established for a public purpose by or under a law of the Commonwealth, a State or a Territory.

It is the business entity that receives an ABN. An entity will receive one ABN regardless of the number of commercial activities or enterprises it undertakes. However, if the enterprise is carried on by a number of different entity types, each entity must register in its own right.

For example, if a single entity is currently operating a cafe, a takeaway food delivery service and a news agency, from different premises, it will have one ABN that covers all of these activities. A similar business enterprise with a different legal structure, may have more than one ABN. An enterprise such as a professional practice may be conducted by several entities, including, a corporations law company responsible for the day-to-day business operations, a trust which owns the building and a trust which pays for all the business services provided to the corporations law company. Each entity within the structure is required to register individually for an ABN. A large diversified enterprise may have many ABNs some of which may be employing and others non-employing.

ABS definitions

The ABS maintains a register of employing businesses containing information which is used to determine the population for many ABS economic surveys. The business unit about which information is collected and published by the ABS is the 'management unit'. This is the highest level unit within a business which controls its productive activities and a set of management accounts are maintained. In most cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). However, in the case of large diversified businesses there are often a number of management units, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it. The management unit structure for large complex enterprises will not necessarily coincide with the way in which an enterprise registers with the ABR for ABNs.

The scope of the ABS business register is based around the concept of employing businesses. Employing businesses have been defined, in the past, as those clients of the

ATO with a current relationship as a Group Employer taxpayer.

The ABS register does not contain information relating to non-employers, except for Agriculture units. Therefore, counts of businesses previously produced by the ABS from its business register have in the main not contained numbers of non-employers.

The ABS has also produced counts of small businesses which are derived from the ABS Labour Force Survey estimates of own account workers (i.e. people working in their own business without employees). These data do not include:

- non-employing incorporated businesses;
- businesses not considered to be the first or second job of the operator;
- businesses which were operated for only part of the year; and some businesses set up as partnerships and trusts.

Confidentiality

The data presented in the tables have been confidentialised to ensure no individual business entity can be identified. A threshold is applied to the number of business entities contributing to each cell of data. Where the threshold is not met, the data are not published. Other cells of data in the table which may or may not have met the threshold are also suppressed to ensure the business entities cannot be identified from the totals.

ABR Data Available on Request

For entities which operate from a single location, the data presented are available by postcode. Data are also available for employing entities at a finer level of Industry classification. The data would be presented such as to ensure no information is shown about an identifiable business entity. A charge is made for providing this information.

Inquiries

If you require further information about the statistics in this report, please contact the ABS National Information and Referral Service on 1300 135 070.

Glossary

ANZSIC

Australian and New Zealand Standard Industrial Classification. A classification system for identifying and grouping all producing units (of both goods and services) in Australia into industries to permit compatibility of data.

Australian Business Number (ABN)

The Australian Business Number is a unique business identifier. To be entitled to an ABN at least one of the following conditions has to be met:

- a company registered under corporations law in Australia;
- an entity carrying on an enterprise in Australia (including government agencies, non-profit bodies and superannuation funds); or
- an entity which makes supplies that are connected with Australia in carrying on an enterprise.

Australian Business Register (ABR)

The Australian Business Register contains all the information set down in the Act and Regulations which is provided by businesses when they register for an Australian Business Number (ABN). The Australian Business Register was established under Section 24 of **A New Tax System (Australian Business Number) Act 1999**.

Employing Entity

An entity that has indicated when registering for an ABN that it employs staff, or intends to, and to pay wages and salaries.

Enterprise

An enterprise covers various activities but does not include hobbies. It includes the activities of entities such as charities, deductible gift recipients, superannuation funds and religious and government organisations.

Entity

An entity means an individual (sole trader), a body corporate, a corporation sole, a body politic, a partnership, an unincorporated association or body of persons, a trust or a superannuation fund.

Estimated Annual Turnover

Annual Turnover is presented in the publication based on the information provided by ABR registrants. The ranges used are those which appear on the ABN registration forms.

For the purposes of registration for an ABN, annual turnover is calculated in the following manner (refer to guide for Registering for The New Tax System):

Calculation for **current and projected** turnover figures.

Location

A location is the continuous physical area or site at or from which a business engages in productive activity on a relative permanent basis.

Main Business Location

Physical street address where main business activity actually takes place.

Multi-State ABN

Refers to those businesses which operate from locations in more than one State or Territory.

Non-employing Entity

An entity that has indicated when registering for an ABN that it does not, nor intends to, employ staff.

Entity Not Actively Registered for GST

An entity which has applied for and received an ABN but does not meet the relevant registration turnover threshold and is not required to register for GST.

Entity Actively Registered for GST

An entity carrying on an enterprise can register for GST. An entity carrying on an enterprise must register for GST if its annual turnover is at or above the registration turnover threshold of \$50,000 (\$100,000 or more if it is a non-profit organisation). An entity carrying on an enterprise with an annual turnover below the relevant threshold may choose to register for GST but is excluded from these figures.

Single State ABN

Refers to an ABN unit which operates from locations in only one State or Territory.

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